

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 9, 2002

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUE-2001-00353

Ex Parte: Delmarva Power &
Light Company - Regional
Transmission Entities

**ORDER ESTABLISHING PROCEDURAL
SCHEDULE FOR SUPPLEMENTAL FILINGS**

On October 16, 2000, Delmarva Power & Light Company ("Delmarva" or the "Company") filed a motion with the State Corporation Commission ("Commission") in Docket No. PUE-2000-00086. That motion requested the Commission to determine that Delmarva's membership in PJM Interconnection, L.L.C. ("PJM") constituted compliance with the requirements of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia (the "Restructuring Act") and the Commission's regulations governing incumbent electric utilities' transfer of the ownership or control of transmission assets, or entitlements thereto, to an RTE, 20 VAC 5-320-10 et seq. (the "RTE Rules"). Section 56-577 A1 of the Restructuring Act provides that a regional transmission entity ("RTE") may be an independent system operator ("ISO").

Effective April 9, 2002, the new Case Management System requires that the case number format for all Commission orders change from, e.g., PUE010663 to the following: PUE-2001-00663.

The Company asserted in its motion that since Delmarva is a member of PJM, an ISO approved by the Federal Energy Regulatory Commission ("FERC"), it need take no further action to comply with the Restructuring Act. Delmarva contended that the operation of PJM is consistent with the criteria for RTEs established in the RTE Rules.

On June 1, 2001, the Commission entered its procedural Order on this application, wherein it directed the Company to provide the public with notice of its motion and other materials filed in support of its motion; invited interested persons to file written comments, responses, or requests for hearing on the motion; directed the Commission Staff to file a response to Delmarva's motion; and invited interested persons to file a pleading responsive to the Staff's response.

On June 22, 2001, the Commission created a separate docket, Case No. PUE-2001-00353, to receive comments and requests for hearing on Delmarva's October 16, 2000, motion and transferred the motion from Case No. PUE-2000-00086 to Case No. PUE-2001-00353.

On August 17, 2001, the Staff, by counsel, filed its Response to Delmarva's motion. In its Response, Staff noted that FERC had issued an order on July 12, 2001, provisionally granting Regional Transmission Organization ("RTO") status to PJM. Staff commented that FERC had strongly encouraged the

formation of one Northeast RTO encompassing PJM, the New York Independent System Operator, and ISO New England. PJM Interconnection, L.L.C., Allegheny Electric Cooperative, Inc., Atlantic City Electric Company, Baltimore Gas & Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, PPL Electric Utilities Corporation, Potomac Electric Power Company, Public Service Electric & Gas Company, UGI Utilities, Inc., Order Provisionally Granting RTO Status, Docket No. RT01-2-000, 96 F.E.R.C. ¶ 61,061 at 61,231-61,232 (July 12, 2001) (hereafter, "RTO Order").

Staff observed that FERC's RTO Order raised the possibility that PJM may change if a larger Northeastern RTO developed as a result of the involuntary mediation process initiated by FERC. The Staff, therefore, recommended that the Commission either delay acting on, or grant only interim approval of, Delmarva's request until more was known about the mediation process and about any Northeastern RTO that may be formed.

On August 31, 2001, Delmarva, by counsel, filed its response to the Staff Report. It asked that the Commission grant interim approval of Delmarva's motion to determine that its membership in PJM constituted compliance with §§ 56-577 and 56-579 of the Code of Virginia as well as the Commission's RTE Rules.

Much has occurred regarding the development and implementation of PJM as an RTO since the Staff Report and Responses thereto have been filed with the Commission. These developments may have affected the accuracy and completeness of the information accompanying Delmarva's motion. Consequently, the Commission believes that in order to conduct a proper review of the Company's motion, it is appropriate for Delmarva to update the information accompanying its request.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that Delmarva should be given the opportunity to file detailed information about any further developments relevant to its request to consider membership in PJM to satisfy §§ 56-577 and 56-579 of the Code of Virginia and the Commission's RTE Rules; that the Staff shall further investigate Delmarva's request and shall file a supplemental report describing and analyzing any necessary developments that are relevant to our consideration of Delmarva's request; and that the Company and interested parties should be permitted to file further responses to the Staff's supplemental report.

Accordingly, IT IS ORDERED THAT:

(1) On or before June 18, 2002, Delmarva shall file with the Commission and persons on the Official Service List available from the Clerk of the Commission, all information

necessary to update its motion, including detailed information about further developments relevant to its request.

(2) On or before July 12, 2002, the Commission Staff shall review the motion as it may be further supplemented and shall file with the Commission a supplemental report detailing the results of its investigation. A copy of the supplemental report shall be served promptly on counsel for the Company and on all persons on the Official Service List herein.

(3) On or before August 2, 2002, Delmarva and any interested person may file with the Clerk of the Commission an original and fifteen (15) copies of any comments responsive to the Staff's supplemental report. A copy of said comments shall be served on or before August 2, 2002, on counsel for the Company, Guy T. Tripp, III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074; counsel for the Commission Staff; and all persons on the Official Service List herein. Service upon counsel for the Commission Staff shall be made upon Sherry H. Bridewell, Senior Counsel, Office of General Counsel, P.O. Box 1197, Richmond, Virginia 23218.